

**FOURTH QUARTER 2011
IFTA, INC. BOARD OF TRUSTEES MEETING
OCTOBER 19 - 20**

Board Members:

Scott Greenawalt	Oklahoma Corporation Commission
Ron Hester	Ontario Ministry of Revenue
Garry Hinkley	Maine Bureau of Motor Vehicles
Rena Hussey	Virginia Department of Motor Vehicles
Ric Listella	Oregon Department of Transportation
Patricia Platt	Kansas Department of Revenue
Stuart Zion	Colorado Department of Revenue
Sheila Rowen	Tennessee Department of Revenue

IFTA, Inc. Personnel:

Lonette Turner	Chief Executive Officer / Chief Financial Officer
Jason DeGraf	Information Services Director
Jessica Eubanks	Executive Assistant
Tom King	Webmaster
Amanda Koeller	Program Administrator
Debora Meise	Senior Director

Guest:

Robert Pitcher	American Trucking Associations, Inc.
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Call to Order

Mr. Scott Greenawalt (OK), IFTA, Inc. Board of Trustees (Board) President, called the meeting to order. Eight Board members were in attendance. Mr. Hugh Hughson (BC) was unable to attend. Mr. Robert Pitcher (American Trucking Associations, Inc.) attended on behalf of the Industry Advisory Committee (IAC).

Approval of Minutes

2Q2011 Board Meeting

Minutes from the 2Q2011 Board meeting were reviewed. Amendments were recommended.

Motion: Mrs. Patricia Platt (KS) moved to accept the 2Q2011 Board meeting minutes as amended. Mrs. Sheila Rowen (TN) seconded the motion. The motion passed.

Board Actions by Email

The Board reviewed the minutes of the Board Actions by Email. Amendments were recommended.

Motion: Mr. Garry Hinkley (ME) moved to accept the minutes of the Board Actions by Email as amended. Mr. Ron Hester (ON) seconded the motion. The motion passed.

Board Liaisons

Board committee liaisons and Board jurisdiction liaisons were reviewed. New liaison assignments were made due to the resignation of Mr. Kirk Davenport (TX) and the appointment of Mr. Ric Listella (OR). These new assignments were made as follows:

Standing Committees		
Agreement Procedures	Audit	Clearinghouse Advisory
Ron Hester (ON), Lead	Sheila Rowen (TN), Lead	Garry Hinkley (ME), Lead
Ric Listella (OR)	Ric Listella (OR)	Patricia Platt (KS)
Dispute Resolution	Industry Advisory	Law Enforcement
Patricia Platt (KS), Lead	Stuart Zion (CO), Lead	Garry Hinkley (ME), Lead
Hugh Hughson (BC)	Hugh Hughson (BC)	Stuart Zion (CO)
Program Compliance Review		
Rena Hussey (VA), Lead		
Scott Greenawalt (OK)		
Special Committees		
Attorneys' Section Steering	Information Technology Advisory Committee	Re-Audit and Re-Examination Working Group
Rena Hussey (VA), Lead	Ron Hester (ON), Lead	Patricia Platt (KS), Lead
Sheila Rowen (TN)	Garry Hinkley (ME)	Scott Greenawalt (OK)

Jurisdictions						
Scott Greenawalt	Ron Hester	Garry Hinkley	Hugh Hughson	Rena Hussey	Ric Listella	Patricia Platt
IN	NL	CT	AB	FL	ID	IL
MO	NY	DE	BC	KY	MT	IA
NE	PA	ME	MB	NC	OR	KS
OK	NS	MA	NB	SC	UT	MI
ND	ON	MD	SK	VA	WA	MN
SD	PE	NH	VT	WV	WY	OH
	QC	NJ				WI
		RI				
Sheila Rowen	Stuart Zion					
AL	AZ					
AR	CA					
GA	CO					
LA	NM					
MS	NV					
TN	TX					

IFTA, Inc. Clearinghouse update

Mr. Jason DeGraf, Information Services Director, presented the IFTA, Inc. Clearinghouse update. The Interjurisdictional Audit Reports (IAR) database has been updated to allow the search of all reports in one location. Comparison totals for newly uploaded transmittal and summary data are now being sent to participating members via email. This is another means of informing jurisdictions of possible errors in the clearinghouse data. Participating members are encouraged to review this comparison data prior to the funds netting settlement. Participating members are also being asked to automate data uploads. It was explained that manual uploads are more prone to errors and creates additional work for the jurisdictions.

Data sharing and management was discussed. It had been recommended that IFTA, Inc. consider the development of a program to allow the sharing of IFTA carrier status data with IRP. It was thought that IFTA, Inc. could research a tool allowing outside resources to make inquiries with the clearinghouse data that could be accessed in real time. Concerns regarding information sharing and confidentiality issues were noted. It was observed that IFTA, Inc. has a lot of useful data and there was a need for managing and utilizing this data to its fullest extent when possible. There is no plan to proceed at this time.

The Board discussed the security certificate announcement that appears when users log in to the clearinghouse. It was explained that a commercial certificate was not purchased due to security concerns. IFTA, Inc. will distribute an email to the jurisdictions reminding them of the certification concerns and how to accept the certificate so that it will not be a recurring issue upon signing in.

Funds Netting

Ms. Lonette Turner, Chief Executive Officer and Chief Financial Officer of IFTA, Inc., presented a report on funds netting. The last two funds netting cycles had been prorated. This was due to systems' errors and the fiscal year end. The SSAE 16 audit has been completed. A report will be provided to the Board from the auditors at the January 2012 Board meeting. A copy of this report will then be provided to membership. Interest earned through the clearinghouse funds netting account was reviewed. It was explained that the minimal interest earned is being used to pay off the service fees of the various accounts and that IFTA, Inc. is not making a profit from this interest.

After reviewing the project regarding late funds netting payments in 2010 in comparison to the 2011 funds netting calendar, it was noted that there is no real way of identifying if those late in 2010 would have benefited from the calendar revisions. During the time period where there were multiple late payments in 2011 it had been concluded that the end of the fiscal year played a vital role in this occurrence. The 2013 funds netting calendar was presented for consideration.

Motion: Mr. Hinkley moved to accept the 2013 funds netting calendar. Ms. Rena Hussey (VA) seconded the motion. The motion passed.

This calendar will become available on the IFTA, Inc. secure website at a later date.

Clearinghouse Advisory Committee Report

Presenting the Clearinghouse Advisory Committee (CAC) report, Mr. Hinkley announced that the Chair, Mr. Bill Kron (MS) is considering retiring from the committee due to scheduling conflicts and time constraints. Additionally, the CAC has a vacancy in the southeastern region.

IFTA, Inc. Website

Mr. Tom King, Webmaster, provided a demonstration of the IFTA, Inc. website. He informed the Board that an electronic evaluation form for the IFTA Managers' and Law Enforcement Workshop is available for all attendees to complete online. Attendees were asked to complete this form by October 31. The IFTA/IRP Audit Workshop registration packet has also been posted to the website.

Tutorials are also available on the secure website. These tutorials include what to do if your domain name changes, adding new users by email, and adding new users quickly. There are

several other tutorials to assist users with utilizing the website. A jump feature is slowly being rolled out on levels 5 and 6 and the committee pages as well. This feature allows a user with multiple accounts to log in under one IFTA account and then “jump” to another account with a single click. A one-click method is also being finalized that would allow users to view all new messages with one click.

A prototype web page was viewed by the Board. This web page will house the organization’s documents as well as information regarding the Board and IFTA, Inc. staff members. The Board was quite receptive to this concept. Other documents being drafted include committee volunteer forms for the standing and special committees. These forms will be available through the committee web pages and, upon completion, an alert will be sent to IFTA, Inc. informing them of a new volunteer to the committee.

IFTA Meeting Update

Events Coordinator, Mrs. Tammy Trinker, presented the IFTA Meeting update. The Board discussed IFTA, Inc. pursuing an Attorneys’ Section Meeting contract in the near future. This was requested by the Attorneys’ Section Steering Committee (ASSC) during their last teleconference.

Motion: Mr. Hinkley moved to authorize IFTA, Inc. to pursue an Attorneys’ Section Meeting in conjunction with the 4Q 2012 Board meeting. Ms. Platt seconded the motion. The motion passed.

Discussion was also had regarding the hosting of a committee chairs meeting with the Board. IFTA, Inc. will look into hosting this meeting in conjunction with the 2013 Annual IFTA Business Meeting and look into the various costs of providing such a meeting.

Dates for the 1Q 2012 Board meeting were revised. This meeting will now be held January 25 – 26. The Board will also look into scheduling a combined IFTA and IRP Board meeting in October 2012. Due to this anticipated combined Board meeting, IFTA, Inc. will push back the Attorneys’ Section Meeting and pursue a hotel contract to combine this meeting with a possible Board meeting in 2013. Additionally a hotel contract for the 2013 IFTA Managers’ and Law Enforcement Workshop is being pursued with the Hilton Phoenix East/Mesa hotel to defer 2011 attrition costs.

Audit Committee Report

Mrs. Rowen, Board Liaison, presented the Audit Committee (AC) report. The committee has a vacancy in the Canadian region. The committee has established an informal working group to continue reviewing the Audit Manual. With the passage of IRP ballot 371, the working group is looking at developing ballot language to incorporate relevant language into the IFTA Audit Manual. Another working group established by the committee is reviewing the Board’s charge related to P600.

Planning for the 2012 IFTA/IRP Audit Workshop is well underway. This workshop will be held January 4 – 6 at the Tempe Mission Palms in Tempe, AZ. GPS instruction and technology will be an integral part of the agenda for this upcoming workshop.

Program Compliance Review Update

Senior Director, Mrs. Debora Meise, reported that the schedule for the 2012 program compliance reviews is complete and that the review team selection is underway. It was noted that, under

P1230, all member jurisdictions are required to participate in their appropriate share of reviews each year. Webinars explaining all about e-reviews are in the process of being compiled.

Program Compliance Review Committee Report

Board Liaison to the Program Compliance Review Committee (PCRC), Ms. Hussey, reported that eleven reviews conducted in 2010 remain open and one jurisdiction had been issued a Final Determination of Non Compliance. Six reviews from 2009 remain open. With the completion of the Board's charge to review the Program Compliance Review Guide, the committee has begun working with the Agreement Procedures Committee (APC) in regards to tax return requirement language in P700. The PCRC has also decided to expand committee membership so that it mirrors that of the other standing committees. As a result, the committee is looking for representation from the Canadian provinces.

Dispute Resolution Committee Report

Mrs. Platt, Board liaison, presented the Dispute Resolution Committee (DRC) report. The committee has been working diligently on the charge from the Board. In part, Action Item 3.5 tasked the committee to determine and clarify "the authority of the DRC and the Board regarding resolution of disputes." Much discussion was had regarding the Dispute Resolution Process (DRP) and the Board's authority to grant monetary relief. Rick LaRose (CT), Chair of the DRC presented a written report on behalf of the committee. The report presented possible amendments to the DRP and/or the IFTA Governing Documents, discussed these possible amendments, and then presented the DRC conclusion for each. Based on the report of the DRC, the Board determined that the DRC had completed Action Item 3.5 of the charge from the Board.

Committee membership was also reviewed. Due to the nature of the ongoing Board charges, the committee has requested that the term of Mr. LaRose be extended.

Motion: Ms. Platt moved to extend Mr. Rick LaRose's (CT) term on the DRC by another full term (2-year period) as Chair. Ms. Rowen seconded the motion. The motion passed.

During a review of the Cumulative Action Items, it was noted that Mr. John Jabas (FleetLegal) would be resigning from the DRC. Mr. Gary Bennion (Con-way, Inc.) had previously confirmed that he would be in a position to assume Mr. Jabas' position on the committee given the Board's approval.

Motion: Ms. Platt moved to approve Mr. Gary Bennion (Con-way, Inc.) to replace Mr. John Jabas (FleetLegal) on the Dispute Resolution Committee. Ms. Hussey seconded the motion. The motion passed.

Industry Advisory Committee Report

Mr. Pitcher presented the Industry Advisory Committee (IAC) report. Several IAC members are active on other committees such as the DRC, ITAC, and RRWG. Additionally, the IAC remains involved in the preparation of the IFTA/IRP Audit Workshop in 2012. Industry will assist in the presentations regarding vehicle tracking systems. The committee is also working to create a Strategic Plan that would be similar in context to the IFTA, Inc. Strategic Plan. Some of the issues outlined in the IAC plan include promoting cooperation and trust with their partnerships, meeting the needs of their customers regarding technology, expanding knowledge base, and enforcement of compliance. An amendment drafted by the ATA was then presented to the Board for purposes

of discussion. This amendment, which would make the issuance of IFTA decals optional on the part of member jurisdictions, has not been approved by the IAC. It is the consensus of the committee that the decals are not a means of enforcement of IFTA and are a significant burden for licensees and perhaps jurisdictions as well. However, ATA recognizes that the sale of decals provides revenue and membership should be allowed to either continue providing or not providing the IFTA decal without being found out of compliance.

Agreement Procedures Committee Report

Mr. Hester, Board liaison to the APC, presented this committee's report. The IFTA Managers' and Law Enforcement Workshop was held October 5 – 7 in Mesa, AZ. More than half of those in attendance were first time attendees. While there was no quorum for the committee to conduct business, the committee had a successful and full open committee meeting during the workshop. The committee now has a vacancy in the western region due to the appointment of Mr. Ric Listella (OR) to the Board.

Law Enforcement Committee Report

The Law Enforcement Committee (LEC) report was presented by Mr. Hinkley, Board liaison. The LEC also held an open committee meeting during the IFTA Managers' and Law Enforcement Workshop. The LEC did have a quorum to conduct business. Committee vacancies exist in both the southeast and northeastern regions. Currently the makeup of the committee permits up to fifteen members.

Discussion was had regarding the Board's charge to the committee about the promotion of law enforcement by creating a marketing plan. It was determined that the committee continues to promote law enforcement through the workshop and with the successful compliance initiative held in both March and May.

Motion: Mr. Hinkley moved to close the charge to the LEC regarding the creation of a marketing plan. Ms. Rowen seconded the motion. The motion passed.

Concluding the LEC report, it was reported that the Motor Carrier Safety Assistance Program (MCSAP) grant proposal had been submitted in a timely fashion. If accepted this grant would allow for the law enforcement road shows to become a reality through federally granted funding.

Attorneys' Section Steering Committee Report

Committee representation was reviewed. Mr. Mark Osbaldsten (ON) has returned to the committee and the 2012 Attorneys' Section Steering Committee (ASSC) officers were presented for the Board's approval. Mr. Clark Snelson (UT), Mr. Paul Bourget (ME), and Ms. Carolee Johnstone (CA) were nominated by the committee to act as Chair, Vice-Chair, and Ex-Officio respectively for 2012.

Motion: Ms. Hussey moved to accept the 2012 officers for the ASSC as presented. Ms. Rowen seconded the motion. The motion passed.

The committee is looking into planning another Attorneys' Section Meeting in the future. An Attorneys' newsletter is also being considered. The Outreach Program is also nearing completion. The ASSC reviewed and contacted jurisdictions regarding the Jurisdiction Communication Lists to ensure that the attorneys' contacts are current.

Information Technology Advisory Committee Report

Board liaison, Mr. Hester, presented the ITAC report on behalf of Chair, Mr. Scott Miller (KS). A subcommittee was established to work with the LEC in regards to the roadside enforcement charge from the Board. A questionnaire is being drafted to assist in this endeavor.

Re-Audit and Re-Examination Working Group Report

The Board reviewed a flow chart presented by the Re-Audit and Re-Examination Working Group (RRWG). The flowchart outlined when a Final Report is issued following an audit conducted by the base jurisdiction. Through the process both the licensee and affected jurisdictions would review the preliminary report and have ample time to approve or object to the findings. Conceptually this is the process that the Board would like to see pursued so that the endless loop could eventually be removed from the audit process. However, the Board will ask the working group to re-analyze a portion of the process regarding possible disputes following an amended audit.

Strategic Plan Review

The Board reviewed the IFTA, Inc. Strategic Plan and revised some of the dates associated with the goal tasks.

2011 Ballot Update

Mrs. Meise reviewed the 2011 IFTA ballots. The second comment period is underway and concludes November 4. The ballot deadlines for 2012 have been set. Ballot proposals for 2012 will be due at IFTA, Inc. by March 27, 2012

2013 Decal Specifications

Reviewing the 2013 decal specifications, the Board discussed adding the word “approximately” to the border requirements. This section currently reads “decals are to have a white border 1/8 inch thick”. It was mentioned that some jurisdictions are cited if their decal border does not meet this requirement exactly.

Motion: Mr. Hinkley moved to add the word “approximately” to the border requirements of the 2013 decal specifications. The revised line is now to read: decals are to have a white border approximately 1/8 inch thick. Mr. Hester seconded the motion. The motion passed.

Motion: Ms. Rowen moved to accept the 2013 decal specifications as amended. Ms. Platt seconded the motion. The motion passed.

Pilot Project

Much discussion was had regarding the Canadian proposed pilot project for audit counts. This pilot project was drafted following the withdrawal of FTPBP #3-2011 after the 2011 Annual IFTA Business Meeting. The purpose of this pilot project is to evaluate certain enforcement, educational, and compliance activities to determine if they could contribute towards the audit requirements of a jurisdiction. IFTA, Inc. and the Board will draft a formal letter of response back to the Canadian provinces.

IRP, Inc. Board of Directors Report

Discussion was had regarding a combined IFTA, Inc. and IRP, Inc. Board meeting. The last combined Board meeting was in January 2009. Both Boards would like to coordinate another

meeting for October 2012. IFTA, Inc. will look into this possibility and work with the ASSC to coordinate a face-to-face meeting for them at some other time.

Hosting of the IFTA/IRP Audit Workshop and a combined IFTA/IRP Managers' and Law Enforcement Workshop was also discussed. IRP, Inc. submitted a recommendation that IFTA, Inc. host the Audit Workshop and IRP, Inc. host the Managers' Workshop annually. During the Board's discussion concern was raised regarding the law enforcement aspect of the Managers' Workshop. Additionally, it was noted that IFTA, Inc. had contracted out through 2013 for the IFTA Managers' and Law Enforcement Workshop.

Motion: Mr. Hinkley moved that a two year trial period be proposed starting in 2014 wherein IFTA, Inc. is responsible for hosting the IFTA/IRP Audit Workshop and IRP, Inc. is responsible for hosting the IFTA/IRP Managers' and Law Enforcement Workshop. At the conclusion of the trial period a survey of membership will be conducted to determine if the trial should be made permanent. Ms. Rowen seconded the motion. The motion passed.

The Board then decided that the 2012 and 2013 Managers/Law Enforcement Workshop should be combined with IRP, Inc. IFTA, Inc. will inform IRP, Inc. and request that the workshops be combined in 2012 and 2013.

IFTA, Inc. Financial Report

Ms. Turner presented the IFTA, Inc. financial report. She reported that the organization remains fiscally sound. Discussion of sponsorship at the IFTA meetings was reviewed. It was the decision of the Board that a survey of membership be conducted to determine if sponsorship during a meeting would be permissible or hinder attendance.

2011 Annual IFTA Business Meeting Review

The Board discussed the proxy situation during the 2011 Annual IFTA Business Meeting. It was decided that a valid phone number be provided by the IFTA Commissioner of a jurisdiction submitting a proxy so that they can be reached at any point during the business meeting. This will provide a means of direct communication with the proxy holder and the jurisdiction regarding onsite voting and language amendments that may affect their final vote on the issue.

Adjournment

Following the open meeting the Board then went into a closed session for the purposes of discussing the Charles M. Mills Award of Excellence and committee travel coverage. Concluding the business discussions the 4Q 2011 IFTA, Inc. Board of Trustees meeting was adjourned.

Motion: Mr. Hinkley moved to adjourn the Fourth Quarter 2011 IFTA, Inc. Board of Trustees meeting. Mrs. Platt seconded the motion. The motion passed.

ACTION ITEMS RESULTING FROM THE 4Q11 BOARD MEETING

ITEM	ACTION
1-4Q11	IFTA, Inc. will distribute an email to the jurisdictions reminding them of how to accept the security certificate for the Clearinghouse so that it will not be a recurring issue upon login.
2-4Q11	IFTA, Inc. will publish the 2013 Funds Netting Calendar to the website.
3-4Q11	IFTA, Inc. will relocate all the organization's documents on the website to a single "About Us" web page and include the information regarding the IFTA, Inc. personnel and Board members.
4-4Q11	IFTA, Inc. will review the compliance initiative results from the March and May "blitzes" and compile percentage data. IFTA, Inc. will discuss the statistics with the LEC.
5-4Q11	IFTA, Inc. will create an online evaluation form for the Annual IFTA Business Meeting.
6-4Q11	IFTA, Inc. will pursue a contract for an Attorneys' Section Meeting in the near future.
7-4Q11	IFTA, Inc. will research hosting a Committees Chair meeting with the Board during the 2013 Annual IFTA Business Meeting. This research will include expenses relative to either a full day meeting or a business luncheon.
8-4Q11	IFTA, Inc. will research scheduling a combined IFTA and IRP Board meeting in October 2012.
9-4Q11	IFTA, Inc. will negotiate a contract with the Hilton Phoenix East / Mesa for the 2013 IFTA Managers' and Law Enforcement Workshop to offset a portion of the attrition applied from the 4Q 2011 Board and Committee Chairs meeting that was cancelled.
10-4Q11	IFTA, Inc. will ensure that future Board meeting dates are not held in the same week as an observed holiday. The 1Q 2012 Board meeting will be amended for arrival the week of 1/24/12.
11-4Q11	The Board will draft a formal response to the DRC report submitted for the 4Q11 Board meeting.
12-4Q11	IFTA, Inc. will forward the IACs Strategic Plan to the Board upon receipt following the 4Q 2011 Board meeting.
13-4Q11	IFTA, Inc. will finalize the LEC Board charge regarding the promotion of law enforcement by creating a marketing plan and show the task as being discharged due to the success of the compliance initiatives held each March and May.
14-4Q11	IFTA, Inc. will advise the LEC of the committee membership cap of 15 representatives.
15-4Q11	The Board Liaisons will ask the Re-Audit and Re-Examination Working Group for further analysis of the process presented regarding possible disputes following an amended audit.

ACTION ITEMS RESULTING FROM THE 4Q11 BOARD MEETING

ITEM	ACTION
16-4Q11	The Board will charge the IAC with developing industry training activities.
17-4Q11	IFTA, Inc. will contact Nlets regarding a suspended status.
18-4Q11	IFTA, Inc. will post the amended Committee Chairs Guide on the website.
19-4Q11	IFTA, Inc. will contact the jurisdiction representatives to serve on the Commissioners Training Committee. IFTA, Inc. will also plan an organizational call for the CTC.
20-4Q11	IFTA, Inc. will post the amended decal specifications for 2013 to the website.
21-4Q11	The Board will compose a formal letter of response back to the Canadian provinces regarding the proposed pilot project.
22-4Q11	The Board will compose a formal response to IRP, Inc. regarding the hosting of the IFTA / IRP Audit Workshop and the Managers' and Law Enforcement Workshop. A two-year trial will be proposed beginning in 2014 wherein IFTA, Inc. will host the IFTA / IRP Audit Workshop and IRP, Inc. will host an IFTA / IRP Managers' and Law Enforcement Workshop. At the conclusion of this trial period both memberships will be surveyed to determine if the trial should be made permanent.
23-4Q11	IFTA, Inc. will survey membership to determine if sponsorship during a meeting or workshop would be permissible or hinder attendance.
24-4Q11	IFTA, Inc. will revise the Annual IFTA Business Meeting proxies to include a valid phone number of all IFTA Commissioners to ensure that they can be reached at any point during the business meeting.